

Goal 5

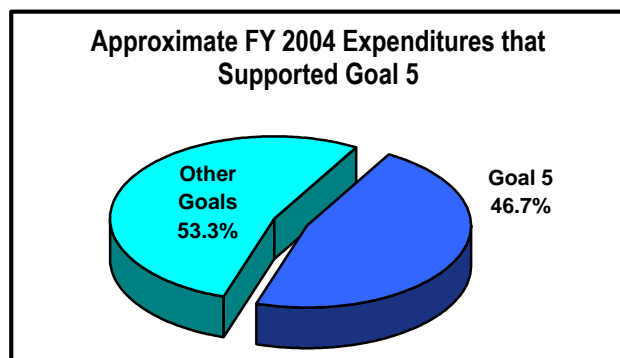
The 21st century is now a service economy dependent on technology, innovation, information and technical skills. We need what are called "knowledge workers." And knowledge workers must be well educated.

—Secretary Rod Paige

GOAL 5. ENHANCE THE QUALITY OF AND ACCESS TO POSTSECONDARY AND ADULT EDUCATION

As part of the mission to transform education in this nation, the Department of Education provides over \$20 billion in annual grants for postsecondary and adult education. Our purpose is to help ensure that all Americans pursuing baccalaureate or higher degrees, adult literacy, or advanced vocational programs can readily access high-quality instruction. The Department also manages a student loan portfolio of nearly a third of a trillion dollars to provide financial assistance to millions of students. Our intent is that no individual be denied the opportunity to reach his or her intellectual potential because of socioeconomic challenges or physical disabilities. The following sections describe the Department's efforts toward helping Americans access quality postsecondary and adult education.

Department Expenditures



A Postsecondary Degree Opens Doors

According to 2003 estimates from the Bureau of the Census, the median annual income of Americans aged 25 or older with a bachelor's degree is more than 60 percent higher than that of their peers who pursued no further education after receiving a high school diploma. For Americans seeking to provide greater opportunities for themselves and their families, the message is clear: successfully completing a postsecondary education program is essential.

During fiscal year (FY) 2004, the Department funded several programs to prepare students from low-income

families for postsecondary education. The most widespread efforts involve the TRIO grant programs, instituted nearly 40 years ago. Through various component programs that stress rigorous academic preparation for college, plus counseling related to academic and financial assistance options, TRIO primarily targets secondary school students from low-income families with no history of attending college (two-thirds of program participants must fulfill both criteria) and helps them prepare for postsecondary education.

Changes in TRIO's Upward Bound Program have helped 3,500 additional students to receive services in 2004 without increasing program funding. A recent study revealed a sizable increase in attendance and course completion at four-year colleges among the portion of Upward Bound participants who did not expect to continue education beyond high school when they entered the program.¹ However, the same study found no overall impact on the college-going rate of Upward Bound participants compared with nonparticipants of similar demographic profiles, which suggests that many Upward Bound participants were likely to attend college anyway. In response to this study and a Program Assessment Rating Tool evaluation, grantees are now targeting more program dollars to students unlikely to attend college without intervention.

The first government-sponsored national evaluation of the TRIO Talent Search Program in more than 20 years examined the high school graduation and college enrollment outcomes reported by Talent Search projects.² Recently released data from the evaluation indicated that 71 percent of graduating high school seniors in Talent

¹ Policy and Program Studies Service/Mathematica Policy Research, *The Impacts of Regular Upward Bound: Results from the Third Follow-Up Data Collection* (Washington, DC, 2004). Available at <http://www.ed.gov/rschstat/eval/highered/upward/upward-3rd-report.pdf>.

² Policy and Program Studies Service/Mathematica Policy Research, *Implementation of the Talent Search Program, Past and Present: Final Report from Phase I of the National Evaluation* (Washington, DC, 2004). Available at <http://www.ed.gov/rschstat/eval/highered/talentsearch/toc.pdf>.

Search in school year (SY) 1998–99 reported enrolling in a postsecondary institution. Individual projects demonstrated varying degrees of success in meeting their goals. For example, in SY 1998–99, 87 percent of projects met their goal for secondary school graduation, while 53 percent met their goal for postsecondary admissions. This evaluation builds upon previously limited understanding of Talent Search’s impact and effectiveness. Newly created program performance measures will track college enrollment rates of all program participants.

Partly in response to these findings, TRIO is actively employing the Educational Credit Management Corporation Foundation’s *Realizing the College Dream* curriculum guide to help increase postsecondary access and completion among low-income and first-generation college students. About 800 TRIO grantees are using this curriculum in Upward Bound and Talent Search programs.

The Gaining Early Awareness and Readiness of Undergraduate Programs (GEAR UP) initiative targets entire classes of students in schools serving lower socioeconomic populations. Starting with the seventh grade, GEAR UP offers hundreds of students at each participating school a focused six-year approach to postsecondary preparation. GEAR UP performance indicator data reflect the program’s progress in preparing more low-income students to enter and complete postsecondary education. During SY 2002–03, the proportion of participating seventh graders who passed pre-algebra increased from 18 to 22 percent, and 98 percent of participants were promoted to the eighth grade. Students’ and parents’ knowledge of postsecondary education options, preparation, and financing, key components of GEAR UP, also increased beyond established targets. GEAR UP is showing promise that the first set of program graduates in 2005 will study at the postsecondary level in higher numbers than nonparticipating peers of similar socioeconomic background.

The ability of students with disabilities to access postsecondary education must also be improved. A study conducted by the Department’s Office of Special

Education Programs showed that among a nationally representative sample of 15- to 17-year-olds receiving special education services in 2001, approximately one-third of youth with disabilities have attended postsecondary institutions since high school, a lower rate than that of their peers. Furthermore, youth with disabilities in postsecondary settings are more likely to be enrolled in two-year community colleges than in baccalaureate institutions. We must build on this research to help facilitate their access into postsecondary education in greater numbers.

Performance Goals. Lack of timely enrollment data makes performance measurement difficult. The most recent data, which are for 2001, showed that the gaps between white and African American students and between white and Hispanic students in immediate enrollment of high school graduates into postsecondary institutions had declined from that of the previous year. However, the rate of immediate enrollment had fallen from the previous year across all subgroups, and the gap between high-income and low-income students had widened sharply. Current Population Survey data due in late November are expected to update information for the 2001–02 academic year.

More encouraging are the graduation rates from four-year institutions, which increased overall and for major race and ethnicity subgroups from 2000 to 2003. Gaps in graduation rates between whites and African Americans and between whites and Hispanics both decreased.

For two-year degree-granting institutions over the same three-year period, although graduation rates decreased overall, gaps between whites and African Americans and between whites and Hispanics both decreased significantly.

The Department’s progress on our performance goals for this objective is summarized in the table below. See p. 27 for methodology and appendix A, pp. 204–05, for detailed data.

College Access and Completion (Objective 5.1)		
Performance Goals	Status	Year
High school graduates ages 16 to 24 years enrolled in college the October following graduation • Overall	Pending	FY 2002 through FY 2004
High school graduates ages 16 to 24 years enrolled in college the October following graduation • White • Black • White-Black Gap • Hispanic • White-Hispanic Gap • Low Income • High Income • Income Gap	Pending	FY 2002 through FY 2004
Graduation from four-year institutions within six years • Overall	Exceeded	FY 2003
Graduation from four-year institutions within six years • White • Black • White-Black Gap • Hispanic • White-Hispanic Gap	Met	FY 2003
Program completion from two-year institutions within three years • Overall	Made progress	FY 2003
Program completion from two-year institutions within three years • White • Black • White-Black Gap • Hispanic • White-Hispanic Gap	Met	FY 2003

Institutional Accountability Leads to Quality Higher Education

America's institutions of higher education have long been considered to be among the world's best. The high quality of American postsecondary education is essential to our nation maintaining a leadership role in research and development, as well as in economic competitiveness. Raising the standard of excellence in education requires improving performance at the postsecondary level in concert with improvement at the elementary and secondary levels.

One major facet of ensuring institutional quality involves the activities of "diploma mills" that issue diplomas that are not supported by appropriate academic rigor to fee-paying customers, as noted by a recent Government Accountability Office (GAO) report.³ To ensure that the public and employers are not misled by credentials that are purchased rather than earned through rigorous academic activity, the Department has created a master list of accredited postsecondary institutions. This list will be made available to assist individuals who verify credentials as part of the hiring process.

We ensure institutional quality in other matters as well. The Accreditation and State Liaison staff oversaw the practices of 73 accrediting agencies in all facets of postsecondary education, ensuring quality of four-year, two-year, and proprietary institutions throughout the country.

In addition, as mentioned in the Goal 2 discussion on teacher quality, Department accountability experts oversaw higher education institutions to maintain rigor in teacher preparation programs.

The Department's Office of Postsecondary Education has developed the e-Monitoring System to receive timely and accurate information about grantee performance and the financial status of grant awards. This system enables efficient tracking of grantee progress and improved documentation of project monitoring activities, and the system flexibly accommodates the unique monitoring requirements of any grant program. See appendix B for more information.

Performance Goals. We received satisfactory accountability reports on the quality of teacher preparation programs from a sufficient number of states and territories to meet our target for the year.

The Department's progress on our performance goals for this objective is summarized in the table below. See p. 27 for methodology and appendix A, p. 206, for detailed data.

³ GAO-04-1096T, available at <http://www.gao.gov/new.items/d041096t.pdf>.

Accountability of Postsecondary Institutions (Objective 5.2)		
Performance Goals	Status	Year
HEA Title II reports submitted by states and territories with all data, using required definitions	Did not meet	FY 2003

HEA = Higher Education Act; Title II addresses teacher preparation programs.

Financial Aid Enables College Access and Completion

College attendance and completion depends on rigorous preparation, but it also requires money. The persistent 30 percent gap between the proportion of low-income and high-income students matriculating into postsecondary education reflects this reality.

The Department has taken great strides to reduce the cost barriers to postsecondary instruction through our Pell Grant Program, Federal Direct Student Loan Program, and Federal Family Education Loan Program. Cohort default rates are at a historic low of 5.2 percent, and interest rates for borrowers dropped to all-time lows in FY 2004.

The effectiveness of these programs in providing aid to economically needy students is evidenced by recent data showing that the net price of attending four-year institutions for dependent students in the lowest quartile of family income, after accounting for both grants and loans received, fell significantly between 1990 and 2000.⁴ The annual federal student financial assistance distributed via grants, loans, and work-study employment has increased from \$47 billion to \$69 billion in just three years, with the total number of recipients increasing by nearly 20 percent to 9.6 million in the same time span. One in six working adults is currently repaying student loans, and 50 million Americans applied for student financial assistance at least once in the last eight years. The challenge is to persuade more individuals to grasp the opportunity provided.

⁴ U.S. Department of Education, National Center for Education Statistics, *Paying for College: Changes Between 1990 and 2000 for Full-Time Dependent Undergraduates* (NCES 2004-075), table 7, p. 28. Available at <http://nces.ed.gov/pubs2004/2004075.pdf>.

Two major trends are occurring with regard to student financial assistance. The first is the dramatic increase in the number of electronic Web submissions of the Free Application for Federal Student Aid, which increased from 59 percent of total applications for the 2003-04 academic year to 75 percent for the 2004-05 academic year. Electronic applications are usually processed by the Department in less than 24 hours, enabling millions of prospective postsecondary students and the schools and colleges they plan to attend to receive eligibility information more rapidly and efficiently.

The second major trend is the rush to consolidate existing loans among borrowers in repayment status. As with the historic lows in home mortgage rates in FY 2004, similar trends in student loan rates resulted in a tremendous increase in borrowers' refinancing multiple loans by consolidating them into a single loan, potentially leading to significant reductions in student borrowing costs. Concurrent with this rise in loan consolidations is the growing number of financial entities specializing in this field.

During FY 2004, the Government Accountability Office has looked at various aspects of the Department's management of loan programs. GAO found that lower interest rates and higher loan volume have increased federal consolidation loan costs.⁵ GAO determined that consolidation loans constituted 48 percent of federal student loan dollars originated in FY 2003, and total consolidation volume rose sevenfold to \$41 billion between 1998 and 2003. The Department is assessing the comparative advantages of consolidation loans for both borrowers and the government based on this and other GAO studies.⁶

In examining the extent to which higher education institutions participated in the Federal Direct Student Loan Program, GAO found that the volume of federal student loans provided through the program had decreased from 34 to 28 percent in the three years

⁵ GAO-04-568T, available at <http://www.gao.gov/new.items/d04568t.pdf>.

⁶ GAO-04-101 and GAO-04-843, available at <http://www.gao.gov/new.items/d04101.pdf> and <http://www.gao.gov/new.items/d04843.pdf>.

leading to 2002.⁷ More schools were leaving the program than entering it. Schools leaving the program mentioned difficulties fulfilling program requirements and higher loan origination fees than those required by Federal Family Education Loan Program lenders.

In another report, GAO found that the Department substantially addressed GAO's 2001 recommendations related to cash flow data, loan consolidations, and interest rate re-estimates.⁸ However, the report recommended that the Department identify assumptions in the cash flow model and develop a method to assess loan performance estimates thoroughly over time. Department officials have begun implementing these recommendations. As FY 2004 ends, the Department's student financial assistance programs are instituting an activity-based costing system to further reduce the costs of program administration.

Not all programs are achieving their full potential in assisting America's students. A recent analysis determined that the Perkins Loan Program has proven duplicative of other broader financial aid efforts and does not target monies effectively to the neediest students. More optimistically, a similar analysis cited independent corroborating evidence that the effectiveness of federal support for college work-study programs is promising, but program measures for the Federal Work-Study Program needed to be improved to demonstrate results.

However, the overall picture is good. Combined with positive trends in reducing borrower costs and increasing numbers of graduates across various racial and ethnic categories, the federal student financial assistance programs are well poised to deliver increasingly effective assistance to educational aspirants.

Performance Goals. America's postsecondary institutions increased tuition by an average of nearly seven percent in FY 2003, well above the existing inflation rate and Department targets. Some of this increase may be attributed to the recent economic

recession that resulted in reduced support of public postsecondary education institutions in many states.

The Department plans to discontinue the current measurement of borrower indebtedness because commercial bankers are using an alternative method to ascertain acceptable levels of debt.

The Department's progress on our performance goals for this objective is summarized in the table below. See p. 27 for methodology and appendix A, pp. 206–07, for detailed data.

Funding Postsecondary Education (Objective 5.3)		
Performance Goals	Status	Year
Average national increases in college tuition	Did not meet	FY 2003
Borrower indebtedness for federal student loans	Not collected	FY 2004

Minority-Serving Institutions Use Federal Resources to Help Fulfill Academic Promise

Institutions of higher education that have historically served African Americans, Hispanics, and Native Americans often encounter the challenges of inadequate infrastructure in providing a quality education to their students. President Bush has worked with these institutions to ensure that their needs are addressed by means of three White House initiatives housed at the Department of Education.

The White House Initiative on Historically Black Colleges and Universities has provided leadership on meeting the needs of its member institutions, and additional financial support is assisting their efforts. Federal aid to help strengthen the quality of their academic programs and administration is on pace to meet President Bush's goal of 30 percent additional annual funding for these institutions by 2005.

A recent study of Historically Black Colleges and Universities (HBCUs) indicated that a higher proportion of first-time undergraduates receive financial aid at HBCUs than at postsecondary institutions taken as a

⁷ GAO-04-107, available at <http://www.gao.gov/new.items/d04107.pdf>.

⁸ GAO-04-567R, available at <http://www.gao.gov/new.items/d04567r.pdf>.

whole.⁹ These institutions thus demonstrate their commitment to assisting financially needy students, and therefore the Department's efforts to strengthen HBCUs helps increase access to postsecondary education.

The White House Initiative on Educational Excellence for Hispanic Americans moved to implement the six recommendations of the 2003 President's Advisory Commission on Educational Excellence for Hispanic Americans to close the achievement gap between Latino students and their peers:

- Setting new and high expectations for Hispanic American children.
- Supporting No Child Left Behind.
- Reinforcing and expanding a high-quality teaching profession.
- Developing a federal research agenda to identify the needs of Hispanic American students.
- Creating pathways to college graduation.
- Creating increased federal accountability and coordination.

A partnership of corporations and Hispanic-serving organizations began establishing strategies for meeting these goals. The partners worked with six pilot cities to reinforce expectations for educational excellence, academic attainment, parental involvement and awareness, academic preparation, mentorship, engagement of the business community, accountability, and college enrollment. Over the past year, more than 3,500 students, parents, educators, education administrators, and community and business leaders attended the six pilot-city events, during which more than 70,000 bilingual publications from the Department and the White House Initiative were distributed.

The White House Initiative on Tribal Colleges and Universities and the Department's Office of Indian Education have channeled federal resources to provide support for tribal colleges. Approximately \$50.3 million

in federal funds were provided in FY 2003, a six percent increase over the previous year, mostly to enhance training and technical assistance and to supplement administrative infrastructure for the improvement of student services at 34 tribal postsecondary institutions.

In all of these areas, the Department's Institutional Development Programs (Titles III and V of the Higher Education Act) provided resources to assist with program improvement efforts. A shining example is Bronx Community College, a Hispanic-Serving Institution in New York City. With 53 percent first-generation college students and 46 percent of student households with incomes below \$15,000, the challenges faced by a relatively new campus president five years ago were daunting. With the assistance of Title V grants to redesign curriculum, establish a center for teaching excellence, and collaborate with the City University of New York on increasing baccalaureate degree attainment, Bronx Community College has seen promising results. Four-year graduation rates have risen by six percentage points in three years, and nearly five in six students who transfer to the City University remain in baccalaureate education for more than one year.

However, more can be done to improve the service capacity of minority-serving institutions. A recent GAO study¹⁰ found that the Department has not fully implemented the comprehensive monitoring plan for Title III and Title V institutions, and the Department's ability to provide targeted technical assistance was limited. Efforts are being made to ensure that our monitoring and technical assistance plans are carried out and targeted to at-risk grantees. The combination of institutional development funding, consistent White House support, and the dedication of these institutions provides momentum for ongoing improvement.

Performance Goals. The measures related to positive fiscal balances and increased technological capacity show mixed results. FY 2003 data on positive fiscal balances at postsecondary institutions primarily serving minorities, which became available during FY 2004,

⁹ U.S. Department of Education, National Center for Education Statistics, *Historically Black Colleges and Universities, 1976 to 2001* (NCES 2004-062), p. 6. Available at <http://nces.ed.gov/pubs2004/2004062.pdf>.

¹⁰ GAO-04-961, available at <http://www.gao.gov/new.items/d04961.pdf>.

demonstrate progress but remain short of the Department's goal. FY 2003 data on increased technological capacity at the same institutions became available during FY 2004 and will be used as a baseline.

The Department's progress on our performance goals for this objective is summarized in the table below. See p. 27 for methodology and appendix A, pp. 207–08, for detailed data.

HBCUs, HSIs, and TCUs (Objective 5.4)		
Performance Goals	Status	Year
HBCUs, HSIs, and TCUs with a positive fiscal balance	Made progress	FY 2003
HBCUs, HSIs, and TCUs with evidence of increased technological capacity	Established baseline	FY 2003

HBCUs = Historically Black Colleges and Universities

HSIs = Hispanic-Serving Institutions

TCUs = Tribal Colleges and Universities

Literacy and Employment Skills Help Adults Surmount Barriers

A vast number of Americans delay postsecondary education, including technical degree programs, until well into adulthood. Still others who face vocational challenges due to a disability may need specialized training and vocational rehabilitation services to facilitate economic sufficiency. Other adults can benefit from improved literacy skills to see their way to a brighter future. At the Department of Education, we concentrate our investment in vocational preparation and adult literacy on helping individuals who are seeking to improve their lives through further education.

As key developers of employment skills, community colleges serve over 11 million adult learners annually, providing students a bridge to further education and promising careers, as well as providing a skilled workforce for business and community leaders. Rapid technological and economic changes and the growing diversity of student interests present important challenges to community colleges. The Department's Office of Vocational and Adult Education produced and disseminated to all community colleges the research-based handbook, *The Labor Market-Responsive Community College*, which identifies key strategies and

practices for responding more effectively to local economic and workforce development needs. The handbook is based on extensive field research at community colleges that demonstrate entrepreneurial responsiveness. Practical examples in the handbook help college administrators to forge effective partnerships with employers, community leaders, and policy-makers. As demonstrated by this publication, our role is to champion best learning practices that lead to better employment outcomes.

Vocational rehabilitation programs are a major Department focus in achieving successful employment outcomes for individuals with disabilities. In FY 2003, the State Vocational Rehabilitation (VR) Program assisted about 220,000 individuals with disabilities to obtain an employment outcome. About 94 percent of the individuals who obtained an employment outcome obtained competitive employment,¹¹ exceeding the performance target. In addition, the percentage of individuals obtaining competitive employment who are individuals with "significant disabilities" (as defined in the Rehabilitation Act of 1973) has increased annually, growing from about 78 percent in FY 1997 to 90 percent in FY 2003. These results are significant and validate that individuals with significant disabilities are achieving high-quality, competitive employment outcomes consistent with their skills and interests.

Late in FY 2003, the Department's Rehabilitation Services Administration awarded five model projects to demonstrate the effect of a specific literacy intervention on improving literacy skills and employment and earnings of targeted adult participants in the Vocational Rehabilitation Services Program. These five-year projects, in combination with an external evaluation, must also demonstrate how VR offices can effectively integrate literacy services into their service delivery systems and can best provide literacy services and instruction to a targeted group of VR consumers. Project

¹¹Competitive employment is defined under the State VR program as work in the competitive labor market that is performed on a full-time or part-time basis in an integrated setting, and for which an individual is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled.

participants are being randomly selected for experimental and control groups.

The Department has placed a special emphasis on improving adult literacy in the past year. Given the rapid advances in science and technology evident in nearly every industry, community, neighborhood, and family in America, national survey data show that many adults do not have the requisite skills in reading, writing, oral communication, problem solving, and mathematics that are needed to secure and maintain good jobs and carry out their responsibilities as parents and citizens. For many adults, adult education and literacy programs are their best hope of overcoming these challenges. Several initiatives to improve literacy skills of specialized populations are ongoing.

Community Partnerships for Adult Learning (C-PAL), a Department initiative, fosters successful community partnerships in support of adult education by disseminating the successes of innovative community solutions. Communities have built successful partnerships and strategies among local businesses, labor organizations, public school systems, libraries, faith-based and community-based organizations, literacy service providers, volunteer organizations, and colleges to respond to the differing learning requirements of adults. The project's Web site¹² includes partnership profiles and resources for adult education providers interested in creating, sustaining, or improving partnerships. A toolbox provides how-to information for adult education instructors and administrators, and the Web site offers links to research, reports and journals, curriculum materials, and information on assessment, workforce development, and program evaluation.

To date, the field of adult basic education has not benefited from the use of evidence-based practice. To address this problem, the Department's Office of Vocational and Adult Education launched a pilot program in FY 2004 in a limited number of states committed to the improvement of reading instruction for intermediate-level adults. The **STudent Achievement in Reading (STAR)** pilot is an effort to translate the

research-based principles of the federal Partnership for Reading initiative into usable classroom practices and to infuse those practices into classrooms and instructional settings. States work with the Department to assemble a statewide project team, receive national training, collect important program performance data, roll out innovative research-based reading programs, and evaluate the impact on adult readers at the intermediate level. The STAR pilot also provides funds to local projects within the states that enable instructors in adult literacy to receive professional development training. Based on the training and the help provided by an expert national technical assistance team, the pilot projects will help states learn from the local application of research-based methods toward improvement of their adult literacy efforts. Pilot participants will also benefit from access to research-based training materials and a reading toolkit with resources for improving intermediate-level adult reading instruction.

Performance Goals. The Department established a new measure for employment effective FY 2004, and results are not yet available.

The Department's progress on our performance goals for this objective is summarized in the table below. See p. 27 for methodology and appendix A, pp. 208–09, for detailed data.

Literacy and Employment of American Adults (Objective 5.5)		
Performance Goal	Status	Year
Employed persons served by state VR agencies who obtain competitive employment	Pending	FY 2004

VR=Vocational rehabilitation

Students Benefit from Institutions' Capacity to Teach World Languages and Explore International Issues

American postsecondary institutions play a unique role in providing advanced understanding of the world. These campuses welcome citizens from nearly every nation on earth to study advanced theory and practice in numerous academic disciplines. These institutions also

¹²The site can be accessed at <http://www.c-pal.net>.

provide American students the opportunity to think strategically about the world around them.

The Department's Office of Postsecondary Education supports efforts of higher education institutions to open the minds of their students to the changing world. One of the most important initiatives in this regard is the publication and distribution of instructional materials on less commonly taught languages directed by the International Education and Foreign Language Studies Program. These efforts, which predate the Department by nearly a generation, have funded the development of basic instructional material for 225 world languages, most of which would not likely be studied on college campuses without these materials being available. The language program has anticipated the need for strategic language study in recent years, developing texts in many important European and Central Asian tongues.

The Department's Fund for the Improvement of Postsecondary Education (FIPSE) also directs funds strategically to improve international understanding and idea exchange in a wide array of academic disciplines and geographic partnerships. The program is poised to publish the first edition of a planned annual spotlight catalog of the various institutions and disciplines benefiting from FIPSE funding. The catalog will highlight the fund's international programs from 1995 to 2004, showcasing some 1,400 academic institutions in more than 29 countries at which thousands of American students studied such subjects as engineering, biotechnology, veterinary sciences, social sciences, and arts and humanities.

Through these efforts, American students have access to increased opportunities to interact intellectually with other nations and cultures while simultaneously developing their academic talents. Admittedly, the task of performance measurement is difficult because many of the programs are engaged in research and

development, testing proposed learning strategies that, if proven effective, might be successfully replicated by independent means on other campuses.

More work is necessary to convey the effectiveness of these programs to the general public. However, program performance measures are being improved to better gauge future effectiveness.

Performance Goals. As international programs are a new Department objective for postsecondary education in FY 2004, we developed new measures related to foreign language programs and will use FY 2004 data to establish baselines. We await FY 2004 data on the successful permanent establishment of international postsecondary consortia projects.

The Department's progress on our performance goals for this objective is summarized in the table below. See p. 27 for methodology and appendix A, pp. 209–10, for detailed data.

Capacity of U.S. Postsecondary Education Institutions to Teach World Languages, Area Studies, and International Studies (Objective 5.6)		
Performance Goals	Status	Year
International postsecondary consortia projects institutionalized after the grant period	Pending	FY 2004
Foreign-language course offerings by Title VI institutions	Established baseline	FY 2004
Outcomes of Title VI funding at postsecondary institutions <ul style="list-style-type: none"> • Graduates employed in higher education, government service, and national security • Comprehensive instructional resources produced at IHEs • K–12 teachers trained through Title VI and Fulbright-Hays programs 	Pending	FY 2004

IHEs = Institutions of higher education

Programs Supporting Goal 5

Sixty-four of our loan and grant programs most directly support Goal 5. These programs are listed below. In the table we provide both FY 2004 appropriations and FY 2004 expenditures for each of these programs. We also provide an overview of the results of each program on its program performance measures. Program performance reports are available on the Web at <http://www.ed.gov/about/reports/annual/2004report/index.html>.

Program Name	Appropriations [†] FY 2004 \$ in millions	Expenditures [‡] FY 2004 \$ in millions	Program Performance Results Percent of Targets Met, Not Met, Without Data								
			FY 2004			FY 2003			FY 2002		
			% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data
AEFLA: Adult Education National Leadership Activities	14	11	0	0	100	50	50	0			
AEFLA: Adult Education State Grants	582	572	0	0	100	60	40	0	60	40	0
AEFLA: National Institute for Literacy	7	6	0	0	100						
ATA: Assistive Technology Act	27	51	0	0	100	0	100	0	0	100	0
DOEAA: GPRA Data/HEA Program Evaluation	1	1									
EDA: Gallaudet University	101	98	14	21	64	42	58	0	42	58	0
EDA: National Technical Institute for the Deaf	54	53	10	20	70	60	30	10	60	40	0
ESEA: Community Technology Centers	12	29	0	0	100	0	0	100			
HEA: AID Developing Hispanic-Serving Institutions	97	87									
HEA: AID Minority Science and Engineering Improvement	11	7									
HEA: AID Strengthening Alaska Native and Native Hawaiian Serving Institutions	11	9									
HEA: AID Strengthening Historically Black Colleges and Universities	226	205	0	0	100	0	0	100	100	0	0
HEA: AID Strengthening Historically Black Graduate Institutions	54	51									
HEA: AID Strengthening Institutions	84	73									
HEA: AID Strengthening Tribally Controlled Colleges and Universities	24	18									
HEA: B.J. Stupak Olympic Scholarships	1	1									
HEA: Byrd Honors Scholarships	42	38	0	0	100	0	0	100	100	0	0
HEA: Child Care Access Means Parents In School	17	17	0	0	100	0	100	0			
HEA: College Assistance Migrant Program	17	16	0	0	100						
HEA: Demonstration Projects to Ensure Quality Higher Education for Students with Disabilities	7	7									
HEA: Fund for the Improvement of Postsecondary Education	164	182	0	0	100	50	50	0	100	0	0
HEA: Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	302	287	0	0	100	86	14	0			
HEA: Graduate Assistance in Areas of National Need (GAANN)	32	25	83	0	17	83	0	17	67	33	0
HEA: Historically Black College and University (HBCU) Capital Financing—Federal Administration	0.2	0									
HEA: Interest Subsidy Grants	2	2									
HEA: International Education and Foreign Language Studies Domestic Programs	95	87	0	0	100	60	40	0	60	40	0
HEA: International Education and Foreign Language Studies Institute for International Public Policy	2	2	100	0	0	100	0	0	100	0	0
HEA: Javits Fellowships	11	10	0	0	100	100	0	0			

[†] Budget for each program includes program budget authority and the program's proportional share of salaries and expenses budget authority.

[‡] Expenditures occur when recipients *draw down* funds to cover actual outlays. FY 2004 expenditures may include funds from prior years' appropriations.

■ A shaded cell denotes that the program did not have targets for the specified year.

AEFLA = Adult Education and Family Literacy Act

ATA = Assistive Technology Act

DOEAA = Department of Education Appropriations Act

HEA = Higher Education Act

EDA = Education of the Deaf Act

GPRA = Government Performance and Results Act

ESEA = Elementary and Secondary Education Act

AID = Aid for Institutional Development

Programs Supporting Goal 5 (Cont'd)

Program Name	Appropriations [†]	Expenditures [‡]	Program Performance Results								
			Percent of Targets Met, Not Met, Without Data								
			FY 2004			FY 2003			FY 2002		
	FY 2004 \$ in millions	FY 2004 \$ in millions	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data
HEA: Postsecondary Education Facilities Loans programs	-27	-6									
HEA: SFA Federal Direct Student Loans	2,827	-105									
HEA: SFA Federal Family Education Loan Program & Liquidating	5,993	8,732									
HEA: SFA Federal Pell Grants	12,088	12,716									
HEA: SFA Federal Perkins Loans	181	162									
HEA: SFA Federal Supplemental Educational Opportunity Grants	779	738									
HEA: SFA Federal Work-Study	1,014	978									
HEA: SFA Leveraging Educational Assistance Partnerships	68	64									
HEA/DOEA: Student Aid Administration	717	785	0	0	100	0	0	100			
HEA: TRIO Educational Opportunity Centers	50		0	0	100						
HEA: TRIO McNair Postbaccalaureate Achievement	43		0	0	100	0	0	100	100	0	0
HEA: TRIO Student Support Services	269		0	0	100	0	0	100	50	0	50
HEA: TRIO Talent Search	148		0	0	100						
HEA: TRIO Upward Bound	320		0	0	100	0	0	100	0	0	100
HEA: TRIO Other	21										
HEA: Underground Railroad Program	2	3	0	100	0						
HKNCA: Helen Keller National Center for Deaf-Blind Youths and Adults	9	8	0	0	100				71	29	0
MECEA: International Education and Foreign Language Studies Overseas Programs	17	13									
NLA: Literacy Programs for Prisoners	5	5									
RA: Client Assistance State Grants	13	12	0	0	100	100	0	0	100	0	0
RA: Independent Living Centers		67									
RA: Independent Living State Grants	101	21	0	0	100	33	67	0	80	20	0
RA: Independent Living Services for Older Blind Individuals	33	28	0	0	100	100	0	0	100	0	0
RA: Migrant and Seasonal Farmworkers	3	2	0	0	100						
RA: Projects with Industry	23	20	0	0	100	33	67	0	100	0	0
RA: Protection and Advocacy of Individual Rights	17	16	0	0	100						
RA: Supported Employment State Grants	38	34	0	0	100	100	0	0	100	0	0
RA: Vocational Rehabilitation Demonstration and Training Programs	27	20	0	0	100	60	40	0	40	60	0
RA: Vocational Rehabilitation Evaluation	1	1									
RA: Vocational Rehabilitation Grants for Indians	32	25	0	0	100	100	0	0	100	0	0
RA: Vocational Rehabilitation Program Improvement	1	0									
RA: Vocational Rehabilitation Recreational Programs	3	2	0	0	100						
RA: Vocational Rehabilitation State Grants	2,584	2,287	0	0	100	50	50	0	67	33	0
RA: Vocational Rehabilitation Training	44	37	0	0	100	0	14	86	71	29	0
USC: Howard University	239	238	0	0	100	67	33	0	75	25	0
VTEA: Tribally Controlled Postsecondary Vocational and Technical Institutions	7	8	0	100	0	100	0	0	100	0	0
Total	29,687	* 29,724									

[†] Budget for each program includes program budget authority and the program's proportional share of salaries and expenses budget authority.

[‡] Expenditures occur when recipients *draw down* funds to cover actual outlays. FY 2004 expenditures may include funds from prior years' appropriations.

* Additionally, expenditures of \$16 million met prior years' obligations for Goal 5 programs that were not funded for FY 2004.

■ A shaded cell denotes that the program did not have targets for the specified year.

HEA = Higher Education Act

SFA = Student Financial Assistance programs

MECEA = Mutual Educational and Cultural Exchange Act of 1961

RA = Rehabilitation Act

VTEA = Vocational and Technical Education Act

DEOA = Department of Education Organization Act

HKNCA = Helen Keller National Center Act

NLA = National Literacy Act

USC = United States Code

PART Analysis for Goal 5 Programs

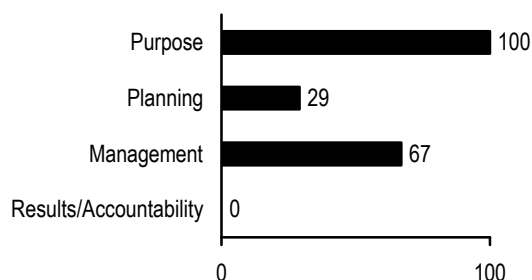
The Program Assessment Rating Tool (PART) was developed and implemented by the Office of Management and Budget as a standardized process for determining program effectiveness in a consistent way across agencies. Over a five-year period, most government programs will be evaluated under this process. Results of PART reviews are used by agencies as one component of justifying their budget requests. Following are summaries of PART reviews that were conducted in conjunction with preparing the Department's FY 2004 budget request and subsequent updated reviews of those programs.¹³

Program: Adult Education State Grants

Year of rating: For FY 2004 Budget

Rating: Results Not Demonstrated

Program Type: Block/Formula Grants



Recommendations:

1. Implement reforms to the program, including increased grantee accountability, improved performance reporting, and a clear focus on improving participants' reading, math, literacy, and numeracy skills.
2. Adopt common performance measures with similar federal programs, including a new measure to gauge cost-effectiveness. Set short- and long-term targets based on the common measures. Develop strategy

¹³ Information about the PART process is available at <http://www.whitehouse.gov/omb/part/>. Information on Department PARTs is available at http://www.whitehouse.gov/omb/budget/fy2005/pdf/ap_cd_rom/part.pdf and <http://www.whitehouse.gov/omb/budget/fy2005/pma/education.pdf>.

for collecting necessary data to institute common measures.

Response:

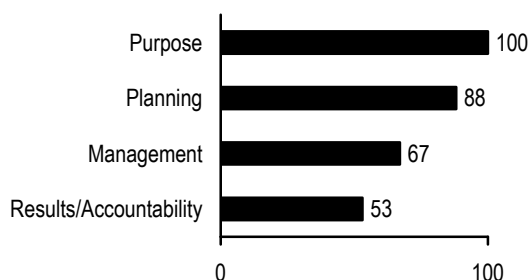
1. The administration's blueprint for reauthorization of adult education programs proposed reforms in the recommended areas. Reauthorization legislation passed by the House and Senate includes elements of the blueprint that will increase the accountability of states and local programs for results and focus the program more directly on participant outcomes.
2. The Department adopted the common performance measures created through the administration's common measures initiative and set annual targets based on final definitions for common measures established by the Departments of Education and Labor. Under current law, the Department does not have the authority to require states to report data for the common measure related to increase in earnings. Long-term targets are yet to be set.

Program: Federal Pell Grants

Year of Rating: For FY 2004 Budget (Initial)
For FY 2005 Budget (Revised)

Rating: Adequate

Program Type: Block/Formula Grants



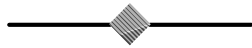
Recommendations:

1. Reduce overawards in the Pell Grant Program.
2. Improve targeting in the eligibility formula toward the neediest students.

Response:

1. This legislation was proposed in 2002, and the Department, Treasury, and OMB continue working with congressional authorizing committees to develop a final bill.

- The Department has met extensively with congressional staff to build support for improved targeting as part of the Higher Education Act reauthorization.

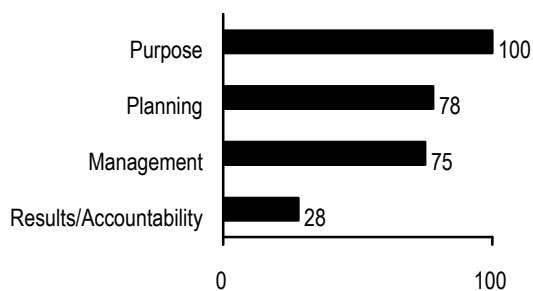


Program: Student Aid Administration

Year of Rating: *For FY 2004 Budget (Initial)*
For FY 2005 Budget (Revised)

Rating: *Adequate*

Program Type: *Capital Assets*



Recommendations:

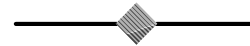
- Develop a unit-cost framework and meaningful efficiency targets.
- Implement a new data strategy that yields more timely and accurate financial and program data.
- Better integrate data into decision-making, including the development of a more comprehensive approach to eliminating program fraud and error.
- Improve contract oversight and performance management.
- Maintain progress on system integration efforts.

Response:

- The Department's student aid unit cost methodology has been redesigned to address GAO concerns and Department needs. A final review of methodology and calculations is ongoing by Department offices and program staff; baseline unit costs for FY 2002 and FY 2003 should be available in late 2004.
- The Department is in the process of implementing an extensive new data strategy with a focus on streamlined system structure and common data definitions.
- Department senior and program management use various reports to make better-informed decisions. The effectiveness of these reports was a major factor

in moving the Department from red to green on the Financial Performance initiative on the *President's Management Agenda*.

- The Department has reorganized the student aid acquisition operation, hiring staff with expertise in acquisition planning and contract performance monitoring; qualitative and quantitative contract support has also been obtained as needed.
- Implementation of the Common Servicing for Borrowers system, which integrates services previously provided under three separate contracts, is well under way. Efforts to integrate systems for aid application, origination, and disbursement are actively under development.

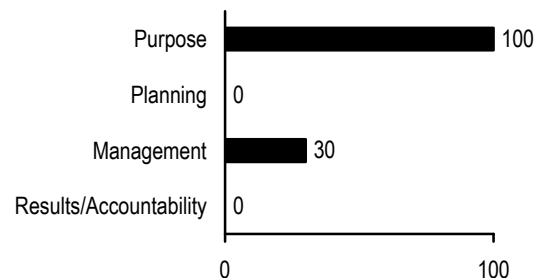


Program: Tribally Controlled Postsecondary Vocational and Technical Institutions

Year of Rating: *For FY 2004 Budget*

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*



Recommendations:

- Seek legislative program reforms that include increased grantee accountability, improved performance reporting, and a clear focus on strengthening the academic and technical skills of postsecondary Indian students.
- Explore whether efficiencies can be gained by combining this program with other programs serving similar objectives.
- Adopt common performance measures with similar programs, including a new measure to gauge cost-effectiveness. Set short- and long-term targets based on the common measures and develop strategy for collecting necessary data to institute these common measures.

Response:

1. This reauthorization strategy was proposed in the President's 2004 and 2005 budgets.
2. The administration's strategy includes a proposal that this program be reauthorized as part of the Higher Education Act. By administering similar programs together the Department can pursue management and programmatic efficiencies.
3. The Department will adopt appropriate common performance measures with similar programs and develop short- and long-term performance targets when the program is reauthorized.

Additionally, the Department is exploring regulatory options to follow reauthorization.

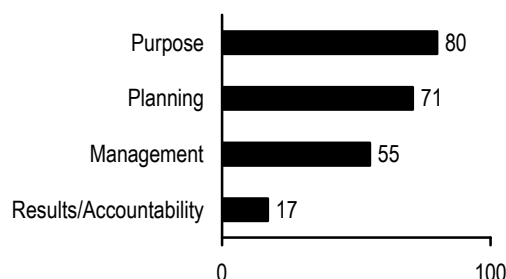
3. Recent student persistence rates exceeded both the short- and long-term performance targets. Data on college completion will be included in the FY 2006 budget request.

Program: TRIO Upward Bound

Year of Rating: For FY 2004 Budget

Rating: *Ineffective*

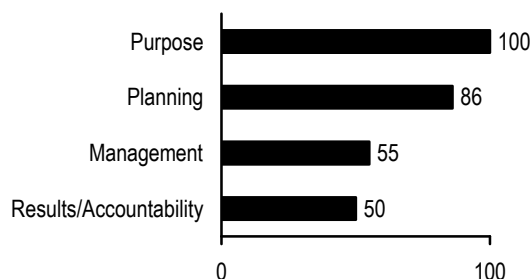
Program Type: *Competitive Grants*

**Program: TRIO Student Support Services**

Year of Rating: For FY 2004 Budget

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

**Recommendations:**

1. Closely monitor new SSS annual program goals and make better use of project performance report data to improve the program.
2. Explore policies that would reduce statutory and regulatory barriers faced by qualified first-time grantees in order to encourage their participation in the program.
3. Collect and establish second-year data for performance measures.

Response:

1. Projects are now required to measure performance goals by cohort and are not able to renegotiate the goals stated in applications.
2. The Department increased the number of reviews and audits of prior experience data and stopped awarding points for partial performance.

Recommendations:

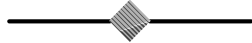
1. Complete an anticipated rulemaking process in the upcoming year to increase the proportion of high-risk students served by Upward Bound grantees.
2. Provide technical assistance to new applicants and current grantees on high-risk participants.
3. Explore policies that would encourage more qualified first-time grantees to participate in the program.
4. Closely monitor new Upward Bound annual program goals and make better use of project performance report data to improve the program.

Response:

1. The Department expanded and strengthened its Expansion Initiative to serve a greater proportion of high-risk students and plans to conduct a rigorous evaluation beginning in 2006. Additionally, the Department continues to assess appropriate regulatory actions following reauthorization.
2. The Department provides guidance on serving high-risk participants in all technical assistance workshops.
3. The Department increased the number of reviews and audits of prior experience data and stopped

awarding points for partial performance. Additionally, the Department is exploring regulatory options to follow reauthorization.

4. Projects are now required to provide services at an average cost of no more than \$5,000 per student, and the new Expansion Initiative requires participating students to have high-risk factors.

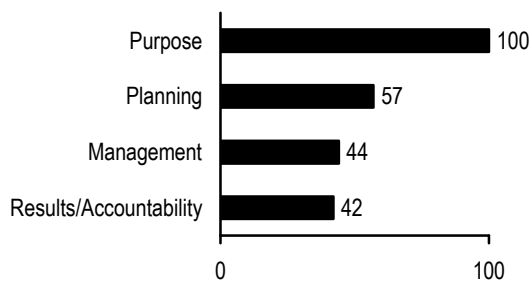


Program: Vocational Rehabilitation State Grants

Year of Rating: *For FY 2004 Budget*

Rating: *Adequate*

Program Type: *Block/Formula Grants*



Recommendations:

1. In the upcoming reauthorization, work with the Congress to align federal funding with performance, and hold all states accountable for their performance. The administration will revisit whether funding for this program should be reclassified as discretionary.
2. Establish specific performance targets in the out years and collect the necessary data to support new

measures. Also, consider whether any additional measures are appropriate for this program.

3. Take significant steps to improve program management using existing outcome data and make these data available to the public in a more timely manner.

Response:

1. The reauthorization of Title IV of the Workforce Investment Act of 1998 passed the House on May 8, 2003; the revisions made no significant changes to the program. The Senate version of the bill passed on November 14, 2003; it made no changes that would affect the mandatory classification of the program. However, it did include the administration's proposal to authorize incentive grants to state VR agencies based on performance.
2. Annual measures were revised to address wide variation across states. The Department also conducted a study to examine the variables related to state VR agency performance. The Department is also working to assist states to collect the necessary data to implement the Job Training Common Measures.
3. By automating data submission and improving the data editing process, the Department has achieved a six-month improvement over previous years in making our data available. The Department is also posting previous year state performance on the program's standards and indicators on our Web site. Detailed data tables and outcome reports have been developed for use by both program staff and state VR agencies to manage the program.

